









Financial Results

For The Nine Months Ended
June 30, 2024

Key Highlights

Reporting Period:	Nine Months Ended June 30, 2024	Restated Nine Months Ended June 30, 2023
 Net Profit	\$21.08B	\$11.78B
 Net Profit Attributable to Stockholders of the parent	\$13.67B	\$8.50B
 Total Assets	\$2.27T	\$2.18T
 Equity	\$203.54B	\$175.45B
 Equity Attributable to Stockholders of the parent	\$161.12B	\$145.15B
 Earnings Per Share	\$5.79	\$3.70
 Return On Assets	1.25%	0.74%
 Return On Equity	11.73%	8.91%

Third Quarter 2024 Report to Shareholders

Kingston, Jamaica - August 8, 2024

The Board of Directors is pleased to release the following unaudited financial results for NCB Financial Group Limited (NCBFG) and its subsidiaries (the Group) for the nine months ended June 30, 2024.

The Group reports interim unaudited consolidated net profit of \$21.1 billion for the nine months ended June 30, 2024, a considerable improvement of 79% or \$9.3 billion over the restated prior year. Consolidated net profit attributable to stockholders of the parent totalled \$13.7 billion, a 61% or \$5.2 billion increase over the prior year. Net profit for the June 2024 quarter was \$7.4 billion, a decline of \$329 million or 4% from the March 2024 quarter's performance, but a 52% or \$2.5 billion increase over the June 2023 quarter. Comparatively, net profit attributable to stockholders of the parent for the quarter ended June 30, 2024 of \$5.0 billion was a 10% or \$561 million decline from the March 2024 quarter, but 28% or \$1.1 billion higher than the June 2023 quarter. Consolidated equity of \$203.5 billion increased by 16% or \$28.1 billion and consolidated equity attributable to stockholders of the parent of \$161.1 billion increased by 11% or \$16 billion over the prior year.

Delivering another strong quarter, the Group continues to benefit from the focus on core performance, efficiency, governance and customer experience. Looking ahead, we continue to refine our strategic priorities and focus to maintain our growth trajectory and further enhance our operational efficiency. We are confident that our proactive approach and resolute efforts will continue to yield sustainable growth and value for our stakeholders in the coming periods.

Since October 1, 2023, the Group has been reporting insurance contracts, particularly in the Life, Health, and Pension (LHP) segment, under IFRS 17 – Insurance Contracts. With this adoption, there has been a major change in the recognition, measurement, and presentation of these contracts, as presented in note 5 of the financial statements.

[Additional Public Offer](#)

NCBFG's Additional Public Offering (APO) of new ordinary shares closed on June 3, 2024 with total raised of \$2.5 billion. Additionally, employees of NCBFG oversubscribed the Employee Reserve Pool, demonstrating strong team member support.

Additional Public Offer (continued)

Subsequent to the end of the quarter, the number of outstanding shares increased by 1.50% to 2,583,539,847.

We thank all investors for your continued confidence in the Group.

Group Performance

The Group recorded operating income of \$94.2 billion, a 12% or \$9.9 billion increase over the prior year. Performance improved across four of our seven operating segments, with the LHP segment accounting for majority of the increase in the Group's operating income.

The Group's key metrics have improved, reflecting our enhanced financial performance, with the annualised return on assets (ROA) increasing to 1.25% from 0.74% and the annualised return on equity (ROE) increasing to 11.73% from 8.91% in the prior year. The cost to income ratio year to date also improved to 69.16% from 77.35% in the prior year and from 66.68% in the March 2024 quarter to 66.39% in the June 2024 quarter. The improvements in our cost-to-income ratio reflect our ongoing efforts to improve efficiency. This progress has been driven by revenue growth outpacing the increase in expenses as the Group continues to focus on cost optimisation.

The results for the nine months have demonstrated the output from our efforts to optimise efficiency and cost, and we are optimistic that as we maintain focus on these strategies, their effectiveness will be maintained. By identifying specific areas of opportunity, we continue to prioritise actions that drive profitability and strengthen our competitive position.

Banking and Investment Activities

Net revenues from banking and investment activities declined from the prior year's results to \$57.3 billion in June 2024 compared to \$59.6 billion in June 2023, representing a reduction of 4% or \$2.3 billion. A 24% or \$2.4 billion reduction in gain on foreign exchange and investment activities was one of the main contributors to the decline; this was primarily as a result of lower unrealised gains booked in the current year compared to the prior year. There was also a 43% or \$1.7 billion increase in credit impairment losses due to the classification of a large credit facility, increased card provisions together with lower recoveries in the current period. Increased net fee and commission income and net interest income partially offset the reduction in revenues, improving by \$1.5 billion and \$459 million, respectively. This was a direct result of the growth in our loan and investment portfolios and increased card transaction volumes.

Group Performance (continued)

Insurance Activities

The Group's net revenues from insurance activities totalled \$36.9 billion, increasing by 50% or \$12.2 billion over the prior year's results. The insurance segment recorded higher investment income as a result of gains booked on assets designated as fair value through profit or loss. There was also a one off net gain of approximately \$3 billion, net of taxes, previously reported in the first quarter from the redesignation of certain financial assets under IFRS 17.

Insurance service result of \$14.2 billion, an increase of \$3.8 billion was attributed to improved insurance business activity, in both our life and general insurance segments. This was partially offset by an increase in net expenses from reinsurance contracts held mainly by our property and casualty business due to the tightening of reinsurance markets.

Operating Expenses

The Group maintained relatively flat operating expenses of \$69.1 billion, with only a 1% or \$833 million increase over the prior year. There was an increase in operational losses and other general expenses, which was tempered by a reduction in staff cost.

Consolidated Statement of Financial Position

Total assets as at June 30, 2024 was \$2.27 trillion, an increase of \$82.7 billion or 4% over the prior year. This was primarily due to growth in the investment securities and loan portfolios, funded primarily by growth of deposits, insurance contract liabilities and shareholders equity.

Investment Securities and Reverse Repurchase Agreements

Investment securities, including pledged assets and reverse repurchase agreements, totalled \$1.15 trillion, an increase of 3% or \$32.3 billion over the prior year. This continues to be the Group's largest earning asset portfolio, representing 51% of total assets.

Loans and Advances

The Group's loans and advances, net of credit impairment losses, totalled \$637.4 billion, a 6% or \$33.7 billion increase over the prior year, attributable to growth in our consumer and small and medium enterprise (SME) and payment services portfolios. Non-performing loans totalled \$27.2 billion as at June 30, 2024, an increase of

Consolidated Statement of Financial Position (continued)

Loans and Advances (continued)

\$2.6 billion or 11% over the prior year, also primarily from the consumer and SME portfolios. As a result, there was a marginal deterioration in the non-performing loan ratio to 4.2% from 4.0% in the prior year.

Deposits

Customer deposits as at June 30, 2024 stood at \$769.2 billion, a growth of 4% or \$30.2 billion over the prior year total of \$739.1 billion. Deposits continue to be the Group's principal funding source, highlighting the trust and confidence of our banking customers.

Insurance Contract Liabilities

Insurance contracts totalled \$529.3 billion, a 4% or \$19.6 billion increase over the prior year. This indicates sustained growth in our insurance segment.

Capital and Liquidity

Equity attributable to stockholders of the parent totalled \$161.1 billion, an increase of 11% or \$16.0 billion over the prior year. This was mainly attributable to increased retained earnings, which went up by \$17.5 billion. Share capital increased by \$4.9 billion to a total of \$158.8 billion due to shares issued and allotted to current and former executives earlier in the year. Additionally, total stockholders' equity amounted to \$203.5 billion, a 16% or \$28.1 billion increase over the prior year. See note 4 to the financial statements for additional details.

All our regulated entities continue to meet the applicable capital and liquidity regulatory requirements.

Board Meeting Date and Dividend Consideration

A Board of Directors meeting is to be held on Friday, August 16, 2024 and the payment of a dividend will be recommended for consideration at this meeting.

Environmental, Social and Governance (ESG)

In alignment with our Environmental, Social, and Governance (ESG) principles, we are committed to not only achieving financial success but also contributing to the well-being of the communities we serve. The recent devastation caused by Hurricane Beryl across the Caribbean region underscored the importance of this commitment.

Environmental, Social and Governance (ESG) (continued)

Environmental Stewardship:

The Group is proud to be able to play a significant role in the recovery efforts, demonstrating our dedication to social responsibility and community support.

Hurricane Beryl was a major hurricane that swept across the Caribbean and left behind billions of dollars of damage to infrastructure and livelihood. This highlighted the urgent need for comprehensive strategies to combat climate change and enhance the resilience of vulnerable communities.

At the heart of the Group's environmental efforts is our focus on energy efficiency and reducing carbon emissions. Over the past year, we have made significant investments in environmentally friendly systems to reduce our energy consumption and carbon footprint. Notably, we commissioned large centralised, energy-efficient air conditioning systems at two of National Commercial Bank Jamaica Limited's (NCBJ's) major branches, with a third installation in progress. The Group has also increased its use of LED energy-efficient lighting across our locations, further contributing to our goal of reducing energy usage and minimising environmental impact. Additionally, the Guardian Group, through its Dutch Caribbean office installed solar panels on its premises. The investment in photovoltaic electricity is expected to reduce the Group's carbon footprint and result in cost savings. The system went live in the second quarter of 2024.

These investments underscore our commitment to sustainability and demonstrate our proactive approach to addressing climate change risks and promoting renewable energy.

Social Responsibility:

In response to the devastating impact of Hurricane Beryl on the south-western parishes of Jamaica, the N.C.B. Foundation (NCBF) launched the NCB 'Building a Better Jamaica' Fund. This disaster relief fund, endorsed by the Government of Jamaica, was established to facilitate donations from all over the world towards relief and recovery efforts in Jamaica. NCBJ, through NCBF will match up to \$150 million raised through donations and contributions. At the time of this release, the fund exceeded our \$300 million target. The over \$300 million in contribution will go towards three main issues:

Environmental, Social and Governance (ESG) (continued)

Social Responsibility (continued):

1. *Restore homes:* provide financial assistance for re-roofing and rebuilding homes
2. *Support small farmers:* aid in the restoration of farming crops and lands
3. *Humanitarian aid:* supply food and sanitation products to affected individuals

NCBFG also partnered to commission a power generator that is used to provide power to the NWC Newell Water



Pump Station to supply the essential commodity, water, to the surrounding communities in St. Elizabeth, Jamaica while the electric utility company works to restore power.

NCBFG is committed to assisting in the restoration of communities and rebuilding lives to have the region emerge stronger and we are grateful to the hundreds and possibly thousands who have joined in the effort to make a difference.

Governance and Ethical Commitment:

Transparency and accountability were paramount in our efforts, ensuring that resources are allocated efficiently and equitably. We also engaged and partnered with the Government of Jamaica and community leaders to ensure our efforts were aligned with the broader recovery strategy. This collaborative approach not only enhanced the effectiveness of our initiatives but also built trust and strengthened our relationships with key stakeholders.

NCBFG's operational resilience during Hurricane Beryl demonstrated our ability to maintain stability and resume full operations quickly. We remain committed to investing in initiatives that promote sustainability and resilience, ensuring that our actions reflect our commitment to the environment, society and good governance.

NCBFG – Empowering People / Unlocking Dreams / Building Communities.



ON BEHALF OF THE BOARD

Robert Almeida, Group Chief Executive Officer

Financial Results

Unaudited Consolidated Income Statement

Nine Months Ended June 30, 2024

(expressed in Jamaican dollars unless otherwise indicated)

	CURRENT YEAR			RESTATED PRIOR YEAR	
	Quarter ended June 30 2024 \$'M	Quarter ended March 31 2024 \$'M	Year to date June 30 2024 \$'M	Quarter ended June 30 2023 \$'M	Year to date June 30 2023 \$'M
Operating income					
Banking and investment activities					
Interest income	22,486	21,842	65,985	20,536	58,705
Interest expense	(10,534)	(9,675)	(30,268)	(8,768)	(23,447)
Net interest income	11,952	12,167	35,717	11,768	35,258
Fee and commission income	9,403	9,369	28,253	9,272	25,581
Fee and commission expense	(3,028)	(3,353)	(9,390)	(2,823)	(8,207)
Net fee and commission income	6,375	6,016	18,863	6,449	17,374
Gain on foreign currency and investment activities	2,741	3,133	7,769	4,543	10,209
Credit impairment losses	(2,926)	(1,888)	(5,691)	(1,578)	(3,968)
Dividend income	301	171	461	198	479
Other operating income	54	92	178	112	230
	170	1,508	2,717	3,275	6,950
Net revenues from banking and investment activities	18,497	19,691	57,297	21,492	59,582
Insurance activities					
Insurance revenue	35,103	32,338	99,247	30,614	87,353
Insurance service expenses	(22,781)	(21,449)	(66,154)	(21,915)	(59,761)
Net expenses from reinsurance contracts held	(7,455)	(7,781)	(18,917)	(6,765)	(17,177)
Insurance service result	4,867	3,108	14,176	1,934	10,415
Insurance finance expenses					
Finance expense from insurance contracts issued	(245)	(323)	(1,021)	(157)	(255)
Finance expense from reinsurance contracts held	(4,426)	(4,549)	(14,637)	(7,725)	(15,005)
Net insurance finance expenses	(4,671)	(4,872)	(15,658)	(7,882)	(15,260)
Insurance segment's investment and other income	10,239	12,809	38,369	12,842	29,508
Net revenues from insurance activities	10,435	11,045	36,887	6,894	24,663
Net operating income	28,932	30,736	94,184	28,386	84,245
Operating expenses					
Staff costs	11,724	12,986	38,295	13,091	40,543
Depreciation and amortisation	2,001	1,961	6,398	2,174	5,482
Finance cost	435	447	1,399	514	1,634
Other operating expenses	6,989	6,361	22,977	6,623	20,578
	21,149	21,755	69,069	22,402	68,237
Operating profit	7,783	8,981	25,115	5,984	16,008
Share of profit/(loss) of associates	147	183	376	(40)	173
Profit before taxation	7,930	9,164	25,491	5,944	16,181
Taxation	(537)	(1,442)	(4,407)	(1,071)	(4,397)
NET PROFIT	7,393	7,722	21,084	4,873	11,784
Attributable to:					
Stockholders of the parent	5,016	5,577	13,671	3,923	8,504
Non-controlling interest	2,377	2,145	7,413	950	3,280
	7,393	7,722	21,084	4,873	11,784
Earnings per stock unit	2.11	2.36	5.79	1.71	3.70
Basic and diluted (expressed in \$)					

	RESTATED					
	Quarter ended	Quarter ended	Year to date	Quarter ended	Year to date	
	June 30	March 31	June 30	June 30	June 30	
	2024	2024	2024	2023	2023	
	\$'M		\$'M		\$'M	
Net Profit	7,393	7,722	21,084	4,873	11,784	
Other comprehensive income, net of tax-						
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	11	(119)	(955)	1	(28)	
	11	(119)	(955)	1	(28)	
Items that may be subsequently reclassified to profit or loss						
Currency translation gains/(losses)	173	40	44	(1,896)	(199)	
Expected credit reversals/(losses) on debt instruments at fair value through other comprehensive income (FVOCI)	25	55	163	82	(354)	
Unrealised (losses)/gains on securities designated as FVOCI	(4,552)	(4,722)	(813)	4,892	27,284	
Realised fair value losses/(gains) on securities designated as FVOCI	3,215	(3,261)	(407)	356	331	
Insurance finance reserves	633	4,493	214	(1,427)	1,749	
	(506)	(3,395)	(799)	2,007	28,811	
Total other comprehensive (loss)/income	(495)	(3,514)	(1,754)	2,008	28,783	
TOTAL COMPREHENSIVE INCOME	6,898	4,208	19,330	6,881	40,567	
Total comprehensive income attributable to:						
Stockholders of the parent	2,471	1,420	10,127	5,373	33,694	
Non-controlling interest	4,427	2,788	9,203	1,508	6,873	
	6,898	4,208	19,330	6,881	40,567	

	RESTATED		
	June 30 2024 \$'M	September 30 2023 \$'M	June 30 2023 \$'M
ASSETS			
Cash in hand and balances at Central Banks	89,879	80,956	83,815
Due from banks	149,468	139,901	134,218
Derivative financial instruments	1,434	827	907
Reverse repurchase agreements	5,067	8,765	6,994
Loans and advances, net of credit impairment losses	637,380	612,705	603,635
Investment securities	856,380	831,605	810,046
Pledged assets	290,639	284,366	302,751
Investment in associates	7,684	7,126	8,100
Investment properties	36,697	36,593	36,471
Intangible assets	52,531	53,982	51,407
Property, plant and equipment	29,975	29,143	30,631
Right-of-use assets	4,245	4,731	4,800
Properties for development and sale	3,719	4,152	2,235
Deferred income tax assets	23,150	22,162	21,112
Income tax recoverable	7,795	8,004	6,990
Reinsurance contract assets	19,387	19,442	26,942
Insurance contract assets	3,287	17,545	3,176
Letters of credit and undertaking	5,975	5,180	4,198
Other assets	41,241	52,838	44,787
Total assets	2,265,933	2,220,023	2,183,215
LIABILITIES			
Due to banks	35,268	31,932	29,310
Customer deposits	769,248	747,872	739,078
Repurchase agreements	289,777	280,714	278,024
Obligations under securitisation arrangements	93,781	98,195	98,456
Derivative financial instruments	-	9	151
Other borrowed funds	189,169	179,648	178,186
Deferred income tax liabilities	7,085	7,525	8,285
Third party interests in mutual funds	38,398	38,911	39,473
Insurance contract liabilities	529,317	520,753	509,762
Reinsurance contract liabilities	4,547	4,471	11,901
Investment contract liabilities	47,904	47,047	46,585
Post-employment benefit obligations	9,316	7,812	4,453
Letters of credit and undertaking	5,975	5,180	4,198
Lease liabilities	4,365	4,757	4,963
Other liabilities	38,243	61,066	54,939
Total liabilities	2,062,393	2,035,892	2,007,764
STOCKHOLDERS' EQUITY			
Share capital	158,757	153,827	153,827
Treasury shares	(25,675)	(25,675)	(26,653)
Reserve from the scheme of arrangement	(147,035)	(147,035)	(147,035)
Insurance Finance Reserves	10,273	10,060	11,310
Fair value and capital reserves	(11,248)	(8,446)	(4,243)
Loan loss reserve	5,587	5,754	6,315
Statutory reserve fund	17,979	6,933	6,897
Retained earnings reserve	65,545	75,270	75,270
Retained earnings	86,940	79,044	69,465
Equity attributable to stockholders of the parent	161,123	149,732	145,153
Non-controlling interest	42,417	34,399	30,298
Total stockholders' equity	203,540	184,131	175,451
Total stockholders' equity and liabilities	2,265,933	2,220,023	2,183,215

Approved for issue by the Board of Directors on August 8, 2024 and signed on its behalf by:


 Robert Almeida Group Chief Executive Officer


 Malcolm Sadler Chief Financial Officer


 Gary Brown Lead Independent Director


 Dave Garcia Corporate Secretary

Financial Results

Unaudited Consolidated Statement of Changes in Stockholders' Equity

Nine Months Ended June 30, 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Share capital	Treasury shares	Reserve from the Scheme of Arrangement	Insurance finance reserves	Fair value and capital reserves	Loan loss reserve	Statutory reserve fund	Retained earnings reserve	Retained earnings	Non-controlling interest	Total
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Balance as at October 1, 2022 - Restated	153,827	(26,653)	(147,035)	9,561	(27,713)	6,350	6,897	67,170	69,054	24,463	135,924
Total comprehensive income											
Net profit - Restated	-	-	-	-	-	-	-	-	8,504	3,281	11,784
Other comprehensive (loss)/income	-	-	-	1,749	23,470	-	-	-	(28)	3,592	28,783
Transfer from loan loss reserve	-	-	-	-	-	(35)	-	-	35	-	-
Transfer to retained earnings reserve	-	-	-	-	-	-	-	8,100	(8,100)	-	-
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	-	(1,039)	(1,039)
Balance at June 30, 2023 - Restated	153,827	(26,653)	(147,035)	11,310	(4,243)	6,315	6,897	75,270	69,465	30,297	175,451
Balance as at October 1, 2023 - Restated	153,827	(25,675)	(147,035)	10,060	(8,446)	5,754	6,933	75,270	79,044	34,399	184,131
Total comprehensive income											
Net profit	-	-	-	-	-	-	-	-	13,671	7,414	21,084
Other comprehensive (loss)/income	-	-	-	213	(2,802)	-	-	-	(955)	1,789	(1,754)
Transfer from loan loss reserve	-	-	-	-	-	(166)	-	-	166	-	-
Transfer to statutory reserve	-	-	-	-	-	-	1,321	-	(1,321)	-	-
Transfer from retained earnings reserve	-	-	-	-	-	-	9,725	(9,725)	-	-	-
Issue of shares	4,930	-	-	-	-	-	-	-	-	-	4,930
Transaction with owners of the Company -											
Dividends paid	-	-	-	-	-	-	-	-	(3,665)	-	(3,665)
Dividends paid non-controlling interest	-	-	-	-	-	-	-	-	-	(1,186)	(1,186)
Balance at June 30, 2024	158,757	(25,675)	(147,035)	10,273	(11,248)	5,587	17,979	65,545	86,940	42,417	203,540

Financial Results

Unaudited Consolidated Statement of Cash Flows

Nine Months Ended June 30, 2024

(expressed in Jamaican dollars unless otherwise indicated)

	<u>June 30</u> <u>2024</u> <u>\$'M</u>	<u>RESTATED</u> <u>June 30</u> <u>2023</u> <u>\$'M</u>
Cash Flows from Operating Activities		
Net profit	21,084	11,784
Adjustments to reconcile net profit to net cash provided by operating activities	<u>21,211</u>	<u>58,840</u>
Net cash provided by operating activities	<u>42,295</u>	<u>70,624</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(2,884)	(3,347)
Acquisition of intangible asset - computer software	(2,922)	(3,798)
Proceeds from disposal of property, plant and equipment	307	62
Purchase of investment property	-	(794)
Sale of investment properties	37	-
Purchases of investment securities	(507,070)	(550,565)
Sales/maturities of investment securities	<u>480,787</u>	<u>422,162</u>
Net cash used in investing activities	<u>(31,745)</u>	<u>(136,280)</u>
Cash Flows from Financing Activities		
Repayments under securitisation arrangements	(4,378)	(2,044)
Proceeds from other borrowed funds	30,132	30,826
Repayments of other borrowed funds	(21,783)	(6,623)
Due to banks	268	(9,819)
Lease repayment	(1,062)	(1,350)
Dividends paid	<u>(3,665)</u>	<u>(1,038)</u>
Net cash (used in)/provided by financing activities	<u>(488)</u>	<u>9,952</u>
Effect of exchange rate changes on cash and cash equivalents	201	34
Net increase/(decrease) in cash and cash equivalents	10,263	(55,670)
Cash and cash equivalents at beginning of period	<u>155,564</u>	<u>202,492</u>
Cash and cash equivalents at end of period	<u>165,827</u>	<u>146,822</u>
Comprising:		
Cash in hand and balances at Central Banks	38,460	32,391
Due from banks	145,677	131,774
Reverse repurchase agreements	2,227	2,678
Investment securities	6,952	1,592
Due to banks	<u>(27,489)</u>	<u>(21,613)</u>
	<u>165,827</u>	<u>146,822</u>



	Banking and Investment Activities					Insurance Activities			Total
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
External revenue	32,683	25,806	11,956	17,595	20,135	86,542	55,766	(10,222)	240,263
Revenue from other segments	3,478	(6)	3,069	11,078	3,934	722	93	(22,368)	-
Total Revenue	36,161	25,800	15,025	28,673	24,069	87,265	55,860	(32,590)	240,263
Net interest income	22,409	4,636	6,835	5,549	3,935	20,421	649	(10,298)	54,134
Net fee and commission income	4,794	8,290	1,161	507	2,363	2,976	4,833	(2,858)	22,066
Gain/(loss) on foreign currency and investment activities	23	344	(0)	6,239	513	11,602	45	(113)	18,653
Insurance service result	-	-	-	-	-	7,280	5,844	1,052	14,176
Insurance finance expenses	-	-	-	-	-	(14,652)	(1,006)	-	(15,658)
Credit impairment (losses)/reversals	(2,559)	(1,595)	(800)	32	226	(752)	69	(313)	(5,691)
Other operating income and dividend income	155	2	0	(2)	994	2,407	780	726	5,063
Total operating income	24,822	11,676	7,196	12,325	8,031	29,283	11,214	(11,804)	92,743
Total operating expense	14,183	5,106	1,500	1,835	5,631	7,834	5,865	(288)	41,666
Operating profit before allocated cost	10,639	6,570	5,697	10,490	2,399	21,449	5,349	(11,516)	51,077
Allocated costs	(9,596)	(4,647)	(1,367)	(821)	-	-	-	-	(16,431)
Operating profit	1,042	1,923	4,329	9,669	2,399	21,449	5,349	(11,516)	34,646
Unallocated corporate expenses									(9,531)
Share of profit of associates									376
Profit before taxation									25,491
Taxation									(4,407)
Net Profit									21,084
Segment assets	565,639	61,374	182,071	411,967	440,456	661,968	99,735	(195,905)	2,227,304
Associates									7,684
Unallocated assets									30,945
Total assets									2,265,933
Segment liabilities	506,499	28,323	162,674	433,280	396,893	544,361	55,656	(72,377)	2,055,309
Unallocated liabilities									7,085
Total liabilities									2,062,393
Capital expenditure	1,844	1,001	70	100	161	2,042	54	534	5,806

RESTATED	Banking and Investment Activities					Insurance Activities			Total
	Consumer & SME Banking	Payment Services	Corporate & Commercial Banking	Treasury & Correspondent Banking	Wealth, Asset Management & Investment Banking	Life and Health Insurance & Pension Fund Management	General Insurance	Other & Consolidation Adjustments	
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
External revenue	28,203	22,257	11,556	16,522	18,522	68,591	49,457	(3,044)	212,065
Revenue from other segments	3,671	25	2,996	7,904	3,920	639	93	(19,249)	-
Total Revenue	31,874	22,282	14,552	24,426	22,442	69,230	49,550	(22,293)	212,065
Net interest income	21,794	5,540	7,295	2,800	4,699	17,641	1,010	(9,041)	51,737
Net fee and commission income	4,028	7,250	912	480	2,835	2,858	4,976	(2,678)	20,661
Gain/(loss) on foreign currency and investment activities	37	225	(0)	6,605	3,679	3,769	142	(707)	13,750
Insurance service result	-	-	-	-	-	4,441	5,458	516	10,415
Insurance finance expenses	-	-	-	-	-	(14,978)	(282)	-	(15,260)
Credit impairment (losses)/reversals	(2,959)	(808)	23	(35)	(124)	(305)	174	66	(3,968)
Other operating income and dividend income	128	6	(4)	0	1,381	3,792	149	668	6,120
Total operating income	23,027	12,213	8,225	9,850	12,469	17,218	11,626	(11,175)	83,455
Total operating expense	13,976	6,703	1,615	1,905	5,997	7,959	5,100	1,873	45,128
Operating profit before allocated cost	9,051	5,510	6,610	7,945	6,472	9,260	6,526	(13,048)	38,327
Allocated costs	(9,414)	(4,639)	(1,469)	(810)	-	-	-	-	(16,334)
Operating (loss)/profit	(364)	871	5,141	7,135	6,472	9,260	6,526	(13,048)	21,993
Unallocated corporate expenses									(5,984)
Share of profit of associates									173
Profit before taxation									16,182
Taxation									(4,397)
Net Profit									11,784
Segment assets	522,762	50,789	176,704	310,681	449,320	631,553	110,903	(105,698)	2,147,013
Associates									8,100
Unallocated assets									28,102
Total assets									2,183,215
Segment liabilities	483,263	6,412	47,070	412,350	397,365	528,877	68,357	56,285	1,999,980
Unallocated liabilities									7,783
Total liabilities									2,007,764
Capital expenditure	2,593	2,646	139	221	361	594	54	537	7,145

1. Identification and Principal Activities

NCB Financial Group Limited (“the Company”) is a financial holding company, incorporated and domiciled in Jamaica. The Company is 48.70% (June 30, 2023 - 51.15%) owned by AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, O.J., Chairman of the Company.

The Company’s registered office is located at 32 Trafalgar Road, Kingston 10, Jamaica.

The Company’s ordinary stock units are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

2. Basis of preparation

The condensed consolidated interim financial statements (interim financial statements) for the nine months ended June 30, 2024 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). See note 5.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

3. Segment reporting

The Group is organised into the following business segments:

- Consumer & SME banking – This incorporates the provision of banking services to individual and small and medium business clients.
- Payment services – This incorporates the provision of card related and digital/electronic payment services.
- Corporate and commercial banking – This incorporates the provision of banking services to large corporate clients.
- Treasury & correspondent banking – This incorporates the Group’s liquidity and investment management function, management of correspondent bank relationships, and relationships with other financial institutions as well as foreign currency dealing activities.
- Wealth, asset management and investment banking – This incorporates stock brokerage, securities trading, investment management and other financial services provided by certain overseas subsidiaries.
- Life and health insurance & pension fund management – This incorporates life and health insurance, investment and pension fund management services.
- General insurance - This incorporates property and casualty insurance services.
- Other/Consolidation Adjustments - The Group’s trustee services, property development, certain inactive subsidiaries and the parent company are classified as Other for segment reporting. Eliminations comprise inter-segment transactions and adjustments on consolidation of the financial statements are also included in this segment.

4. Share Capital

	The Group		The Company	
	June 2024	June 2023	June 2024	June 2023
	\$'M	\$'M	\$'M	\$'M
Authorised – unlimited				
Issued and fully paid up –				
2,545,325,512 (2023: 2,466,762,828) ordinary stock units of no par value	158,757	153,827	158,757	153,827
Treasury shares	(25,675)	(26,653)	(11,232)	(11,232)
	<u>133,082</u>	<u>127,175</u>	<u>147,525</u>	<u>142,595</u>

Shares were issued and allotted to executives and former executives during the current financial year.

The weighted average number of consolidated ordinary stock units in issue for the nine months ended June 30, 2024 was 2,361,165,182 (June 2023: 2,298,327,391). The weighted average number of ordinary stock units (excluding treasury shares) is used to compute earnings per share.

NCBFG’s Additional Public Offering (APO) of new ordinary shares closed on June 3, 2024 with total raised of \$2.5 billion. Subsequent to the end of the quarter, the number of outstanding shares increased by 1.50% to 2,583,539,847.

5. Adoption of IFRS 17 - Insurance Contracts

Effective October 1, 2023, IFRS 17 replaced IFRS 4 Insurance Contracts, materially changing the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group's financial statements.

In accordance with the transition requirements of IFRS 17, the Group has restated its financial statements and is therefore presenting:

1. Within the summarised consolidated statement of financial position, an opening balance sheet as at October 1, 2022, the retrospective date of transition to IFRS 17. Differences between the carrying value of assets, liabilities and equity previously recorded and those under IFRS 17 were recorded in retained earnings.
2. Summarised consolidated statement of financial position as at September 30, 2022, now restated under IFRS 17 regime.
3. Summarised consolidated statement of financial position, income, comprehensive income, cash flows and changes in equity as at and for the periods ended June 2024, March 2024, September 2023 and June 2023 in compliance with IFRS 17.

While retrospective application is required, full retrospective to a group of contracts is impractical, the modified retrospective or fair value methods may be used. The Group therefore applied the fair value approach on all long-term portfolios within the Life, Health and Pensions business that were in issue as at October 1, 2022 and prior, and the full retrospective approach thereafter. For all other portfolios, the full retrospective approach was used for all relevant periods.

Refer to Note 58 of the Group's 2023 audited financial statements for further details on the adoption of IFRS 17.

The initial application of IFRS 17 resulted in a reduction of total equity of \$59 billion as at October 1, 2022. The opening IFRS 17 statement of financial position and related adjustments are presented below:

BALANCE SHEET	September 2022		
	As previously reported	Restatement	Restated
	\$'M	\$'M	\$'M
Cash in hand and due from banks	256,663	(971)	255,692
Investment securities	968,349	(1,695)	966,655
Loans and advances, net of credit impairment losses	580,988	(924)	580,063
Property, plant, equipment & software	83,768	(3,147)	80,621
Reinsurance assets	30,313	(7,754)	22,559
Insurance assets	-	5,389	5,389
Deferred & income taxes	28,029	-	28,029
Other assets	130,077	(24,127)	105,950
Total assets	2,078,186	(33,229)	2,044,957
Customer deposits	715,277	-	715,277
Repurchase agreements	247,677	412	248,089
Borrowed funds	153,272	(23)	153,249
Liabilities under annuity and insurance contracts	441,464	44,238	485,701
Reinsurance contract liabilities	-	17,966	17,966
Other liabilities	327,288	(36,643)	290,645
Total liabilities	1,884,977	25,950	1,910,927
Share capital & other equity	60,557	9,531	70,088
Fair value and other reserves	(26,945)	(16,506)	(43,451)
Insurance service reserves	-	12,369	12,369
Retained earnings	112,486	(42,239)	70,247
Equity attributable to stockholders' of the parent	146,098	(36,844)	109,254
Non-controlling interest	47,111	(22,335)	24,776
Total stockholders' equity	193,209	(59,179)	134,030
Total stockholders' equity and liability	2,078,186	(33,229)	2,044,957

5. Adoption of IFRS 17 - Insurance Contracts (Cont'd)

The initial application adjustments arise principally from:

a. Introduction of the Contractual Service Margin (CSM)

This is a new liability that represents future unearned profits on long-term insurance contracts written.

b. The measurement of the Risk Adjustment

This is a concept in IFRS 17 that is similar to the Margins for Adverse Deviation that was previously estimated under IFRS 4. IFRS 17 does however introduce some specific considerations in the calculation and application of this item.

c. The determination of Discount Rates

IFRS 17 introduced some changes in how discount rates are determined, primarily removing from consideration the characteristics of the assets which support the related insurance liabilities.

d. Other measurement changes

This includes changes to the level at which contracts are aggregated for measurement purposes and how contract boundaries are defined.

e. Presentation changes

Several assets and liabilities experienced no change to their measurement but have been moved to other areas of the financial statements, including:

Premiums receivable and Policy loans – These amounts were previously reported in loans and receivables and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Deposits with/balances due from reinsurers – These amounts were previously reported in loans and receivables and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

Deposits and premiums received in advance – These amounts were previously reported in other liabilities and have now been reclassified to insurance contract liabilities/assets as they are insurance contract related.

Amounts due to reinsurers – These amounts were previously reported in other liabilities and have now been reclassified to reinsurance contract assets/liabilities as they are related to reinsurance contracts.

Deferred acquisition costs – These were previously reported as a separate line within the assets section of the financial statements and have been reclassified to insurance contract liabilities/assets as they are insurance contract related.

6. Divestment of NCB (Cayman) Limited

On February 2, 2024, National Commercial Bank Jamaica Limited, a subsidiary of NCBFG, entered into a Share Purchase Agreement with Berkeley Financial Holdings Ltd (Berkeley), a privately held company based in London, United Kingdom, for the sale of its 100% stake in NCB (Cayman) Limited ("NCB Cayman"). NCB Cayman is domiciled in the Cayman Islands and operates under a Category "A" Banking licence.

The completion of this transaction is subject to conditions including all necessary regulatory approvals. Following the proposed sale, NCBFG, through its subsidiaries, will provide transition support to Berkeley, in addition to maintaining its interest in NCB Capital Markets (Cayman) Ltd.

NCBFG expects to record a gain in its consolidated financial results upon completion of the transaction. Going forward, the sale of NCB Cayman will not have a material impact on the future earnings or the asset base of the Group.

7. Sale of Controlling Interest in Clarien Group Limited

In June 2024, NCBFG entered into a Share Purchase Agreement (SPA) with Cornerstone Financial Holdings Limited (Cornerstone), a privately held company organised in Barbados, for the sale of 30.20% of Clarien Group Limited's (Clarien Group's) equity.

The completion of this transaction is subject to conditions, including the requisite regulatory approvals. Following the proposed sale, NCBFG will maintain a 19.90% interest in Clarien Group and will provide transition support to Cornerstone, through its subsidiaries.

Going forward, NCBFG's reduced ownership interest in the Clarien Group will not have a material impact on the future earnings of NCBFG after the completion of the sale.

8. Impact of Hurricane Beryl

Our customers in Jamaica and the Eastern Caribbean were impacted by the passage of Hurricane Beryl in early July. The impact of net claims incurred from the hurricane is still being assessed and will be reflected in the Group's fourth quarter results.

Interest/Ownership of Stock Units by Directors of NCB Financial Group Limited as at June 30, 2024

Directors ¹	Total	Direct	Connected Parties
Robert Almeida	66,775,164	1,056,684	65,718,480
Sanya Goffe	65,790,480	72,000	65,718,480
Hon. Michael Lee-Chin, OJ	1,445,299,340	146,698	1,445,152,642
Thalia Lyn, OD ²	130,975,212	429,449	130,545,763
Bruce Bowen	65,915,330	196,850	65,718,480
Gary Brown	65,718,480	0	65,718,480
Howard Shearer	65,718,480	0	65,718,480

Interest/Ownership of Stock Units by Executives/Senior Managers of NCB Financial Group Limited as at June 30, 2024

Executives	Total	Direct	Connected Parties
Robert Almeida ¹	66,775,164	1,056,684	65,718,480
Dave Garcia (Corporate Secretary)	175,027	175,027	0
Malcolm Sadler ²	64,734,820	28,774	64,706,046
Misheca Seymour-Senior	27,195	27,195	0
Mukisa Wilson Ricketts	87,552	87,552	0
Allison Wynter ²	65,007,230	191,237	64,815,993

Interest/Ownership of Stock Units by Executives/Senior Managers of subsidiaries of NCB Financial Group Limited as at June 30, 2024

Executives	Total	Direct	Connected Parties
Bruce Bowen ¹	65,915,330	196,850	65,718,480
Danielle Cameron Duncan	92,854	92,854	0
Hopelin Hines	10,571	10,571	0
Ian Chinapoo	0	0	0
Jacqueline De Lisser	30,146	30,146	0
Ramon Lewis	57,215	57,215	0
Sheree Martin	6,713	6,713	0
Anne McMorris Cover	8,735	8,735	0
Antonio Spence	0	0	0
Ian Truran	0	0	0
Tanya Watson Francis	156,323	156,323	0
Angus Young	0	0	0

1. Connected parties for all directors include shares of 65,718,480 held by subsidiaries of Guardian Holdings Limited.

2. Connected parties for Thalia Lyn, Malcolm Sadler and Allison Wynter include shares of 64,675,993 held as trustees of the N.C.B. Staff Pension Fund.

10 Largest Shareholders of NCB Financial Group Limited as at June 30, 2024

Name of Shareholder	Units	Percentage Ownership
AIC (Barbados) Limited	1,239,642,254	48.70%
MF&G Asset Management Limited - NCB Share Scheme	101,406,205	3.98%
Sagicor PIF Equity Fund	66,136,956	2.60%
National Insurance Fund	58,139,232	2.28%
Patrick Hylton	56,812,448	2.23%
NCB Insurance Agency & Fund Managers Limited WT 109	54,715,172	2.15%
Harprop Limited	46,434,102	1.82%
AIC Global Holdings Inc.	45,449,690	1.79%
Ideal Portfolio Services Company Limited	32,365,472	1.27%
SJIML A/C 3119	30,659,032	1.20%

Shareholder Profile of NCB Financial Group Limited as at June 30, 2024

Number of Shareholders	Ownership of Each Shareholder	Percentage Ownership	Number of Units
One shareholder with five accounts	48.70%	48.70%	1,239,642,254
12	1 - 5%	22.56%	574,120,070
45,311	Less than 1%	28.75%	731,563,188
45,324		100.00%	2,545,325,512



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